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No. 01-618

IN THE

Supreme Court of the United States

ERIC ELDRED, *et al.*,

Petitioners,

v.

JOHN D. ASHCROFT, in his official capacity as Attorney General,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF OF *AMICUS CURIAE* NEW YORK INTELLECTUAL PROPERTY LAW ASSOCIATION IN SUPPORT OF RESPONDENT

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STATEMENT OF INTEREST OF *AMICUS CURIAE*

This brief is submitted on behalf of the New York Intellectual Property Law Association ("NYIPLA") — an association of more than 1,500 attorneys whose interest and practice lies in the areas of patent, copyright, trademark, trade secret and other intellectual property law.[1] Unlike attorneys in many other areas of practice, NYIPLA members, whether in private practice or employed by corporations, typically represent both plaintiffs and defendants in litigation. NYIPLA members also regularly participate in proceedings in the Patent and Trademark Office, including representing parties in interferences, as well as representing applicants for patents.

Since its founding in 1922, the NYIPLA has been committed to maintaining the integrity of United States patent and copyright laws, and to the proper application of those laws. In furtherance of these goals, the NYIPLA requests that the Court consider the potential ramifications of its ruling on the patent law and reject Petitioners' broadest argument that any extension of the term of an existing intellectual property right is unconstitutional.

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1. Pursuant to SUP. CT. R. 37.6, the NYIPLA represents that it has authored this brief in whole, and that no person or entity other than the *amicus* and its counsel have made a monetary contribution to the preparation or submission of the brief. The parties to this case have consented to the filing of this brief. The consent of the Respondent is lodged herewith and the written consent of the Petitioner has been filed with the Clerk of the Court.

SUMMARY OF ARGUMENT

An interpretation of the Constitution which bars Congress from extending the terms of existing copyrights would have the destructive effect of casting a cloud over existing patents whose terms have been extended by Congress. Throughout history, Congress has exercised the power to amend patent terms through private and public laws. Congress has granted extensions to compensate patentees who are unfairly prejudiced by delays at the United States Patent and Trademark Office ("PTO") and the Food and Drug Administration ("FDA"), and, in doing so, has provided incentives for further research and development. Congress has also amended the national patent term so that it would coincide with the corresponding patent terms of the international community, thus encouraging trade and harmonizing similar intellectual property rights. Whether the congressional purpose has been to give patentees the full benefits of their rights or align the laws of the United States with those of other industrialized countries, the patent system in the United States has been improved by term extension legislation enacted by Congress.

ARGUMENT

I.

THE ISSUES PRESENTED EQUALLY IMPACT PATENT LAWS

Congress' power to enact copyright law derives from Article I, Section 8, Clause 8 of the Constitution. Congress is empowered "[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

The court below found that Congress did not exceed the "limited Times" requirement of Article 1, Section 8, Clause 8 of the Constitution, by extending the duration of copyrights. One question upon which this Court has granted certiorari is whether the lower court erred in holding that an extension of the term of an existing copyright is a proper exercise of Congressional power. Petitioners have argued that the phrase "limited Times" should be interpreted in light of the preamble of the Copyright Clause, that is "To promote the Progress of Science and useful Arts. . . ." According to the Petitioners' broadest argument, any extension of the term of an existing copyright is unconstitutional because it does not "promote the Progress of Science" within the meaning of the Copyright Clause and also violates the clause's *quid pro quo* requirement. (*E.g.*, Brf. for Petitioners, p. 10.)

Petitioners' arguments as to the interpretation of these phrases in the Constitution will likewise apply to patents, since the identical phrases apply to both the patent and

copyright provisions.[2] *See Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 122 S. Ct. 1889, 1895 (2002) (construing a statutory phrase so as to give it a single, consistent meaning). A broad holding that Congress is unauthorized to extend the term of an existing copyright would therefore threaten the validity of analogous and salutary patent term extension legislation.

II.

THE INABILITY OF CONGRESS TO MODIFY PATENT TERMS HAS THE POTENTIAL TO INTERFERE WITH INTERNATIONAL TREATIES AND DEVALUE UNITED STATES PATENTS

One drastic effect of a holding that intellectual property term extensions are unconstitutional can be seen by examining Congress' response to the Uruguay Round Agreements Act.[3] In order to harmonize certain aspects of the United States patent system with corresponding provisions of international systems, Congress amended the patent term statute such that the term of a utility patent is now measured 20 years from the date of filing an application as opposed to the prior 17 years from grant.[4] This amendment

2. *See* Edward C. Walterscheid, *The Remarkable — and Irrational — Disparity Between the Patent Term and the Copyright Term*, 83 J. Pat. & Trademark Off. Soc'y 233, 247 (2001) ("Both the introductory language of the clause and the phrase 'the exclusive right' serve to limit or qualify the authority of Congress to set the term of both patents and copyrights.").

3. Pub. L. No. 103-465, 108 Stat. 4809 (1994), *amending* 35 U.S.C. § 154.

4. 35 U.S.C. §§ 154(a)(2), (c)(1) (2001).

extended the term for any existing patent if the grant was less than three years from filing. Under the new law, approximately 1,118,603 existing utility patent applications, granted by the PTO between 1978 and 1998 (and therefore filed prior to June 1995), potentially had their terms extended.[5] The PTO estimates approximately 595,188 of these granted patents will actually have had their terms extended.[6] If this Court finds extensions of existing intellectual property rights to be unconstitutional, the terms of these patents would be unknown.

Currently, patent terms are also extended in order to compensate a patentee for time lost during the term of the patent attributable to an administrative delay beyond the patentee's control, especially delays at the PTO and FDA. 35 U.S.C. §§ 154, 156. As of June 21, 2002, approximately 340 patents were granted term extensions due to FDA delays.[7]

Historically, Congress has extended patent terms via private and public laws in order to promote the useful arts. As early as 1808, Congress extended a patent by private law

5. Figures based upon USPTO unofficial statistics prepared by USPTO Information Products Division, Technology Assessment and Forecast (TAF) Branch at the request of *amicus*.

6. Figures based upon average renewal rates and expiration due to failure of applicants to pay maintenance fees approximated by USPTO Information Products Division, Technology Assessment and Forecast (TAF) Branch at the request of *amicus*.

7. United States Patent and Trademark Office, *Patent Terms Extended Under 35 U.S.C. § 156, available at* http://www.uspto.gov/web/offices/pac/dapp/opla/term/156.html (last modified June 21, 2002).

noting that the extension was for the public benefit.[8] Congress privately granted veterans of World War II patent term extensions in view of the attendant prejudice engendered by their war-time service.[9]

With the flexibility to grant patent extensions, Congress can further the progress of the useful arts by offering additional patent protection in return for valuable research data and added or extended clinical trials. For example, G.D. Searle & Co., the developer of aspartame, an artificial sweetener, applied for a patent extension in 1983 due to delay by the FDA.[10] This delay reportedly stemmed from the FDA's need to extensively review and confirm the validity of test data from outside laboratories.[11] Searle was ultimately awarded an additional term extension of almost six years.[12] The legislation extending G.D. Searle's aspartame patent subsequently resulted in patent extensions for an additional 31 patents.[13] Similarly, Proctor & Gamble sought

8. Act of January 21, 1808, Ch. 13, 6 Stat. 70 (1808).

9. Pub. L. No. 598, 64 Stat. 316 (1950).

10. Richard M. Cooper, *Legislative Patent Extensions*, 48 Food & Drug L.J. 59, 64-65 (1993); *see* Pub. L. No. 97-414, § 11, 96 Stat. 2049, 2065-66 (1983); *see also* Patent Term Restoration Act of 1981, Hearings on H.R. 1937, H.R. 6444, and S. 255 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on the Judiciary, 97th Cong., 1st Sess. 427-428.

11. Cooper, *supra* note 10, at 65.

12. *Id.*

13. *Id.* at 85 n.32 (citing Lopid Patent Term Restoration And Fairness Act of 1987, Hearing Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on Judiciary, 100th Cong., 1st Sess. 2 (1987)).

and obtained a patent extension on its fat substitute, OLESTRA™.[14] P&G claimed it spent upwards of twenty years dealing with scientific and regulatory issues in seeking to be able to market its product.[15] Merck & Co. obtained an extension for its patent covering the lipid-lowering drug, ZOCOR™, in return for agreeing to conduct non-mandatory pediatric trials on the drug.[16] Patent term extensions also encourage research regarding recombinant DNA technology for human drug products.[17] Without the incentive of patent term extensions, there is a great risk that researchers would reduce their efforts and society would be deprived of life-enhancing benefits.

The knowledge that Congress can extend a patent term in appropriate circumstances (*e.g.*, FDA delay) is an added incentive to invent or invest in development for those who have not yet done so. Petitioners' argument incorrectly focuses on the incentives of the person who already has the copyright or patent and therefore has already invented. This is the wrong focus. As to that person, even a non-extended patent itself provides no incentive to invent, because the act of invention has already occurred regardless of whether or not that person files for or obtains a patent.

14. Cooper, *supra* note 10, at 75, 85 n.67 ("The bills to revive and extend the OLESTRA™ patents were S.1506 and H.R. 2805, 102d Cong., 1st Sess. (1991).").

15. Cooper, *supra* note 10, at 75; *see* Patent Extension Hearing, Hearings on S.526, S.1165, and S.1506 Before the Subcomm. on Patents, Copyrights & Trademarks of the Senate Comm. on the Judiciary, 102d Cong., 1st Sess. 2, 279-89 (Aug. 1, 1991); *see also Senate Approves Patent Extensions*, 5 J. Proprietary Rts. 28 (1993).

16. *Merck gets Zocor patent extension*, Marketletter, March 11, 2002 2002 WL 7178713.

17. 37 C.F.R. § 1.720 (2001).

The relevant incentive is for the public. The public knowledge that Congress has the ability to extend patent terms in appropriate circumstances provides incentives to invent and develop and thereby promotes the progress of the useful arts. To maximize scientific research and development in technologies requiring enormous investment with uncertain returns, Congress needs the power to provide compensating incentives by extending patent terms in appropriate circumstances. *See Evans v. Eaton*, 16 U.S. 454, 518 (1819) (noting that the extension of the patent at issue for a second term after expiration was in pursuance of the promotion of the useful arts). The total inability of Congress to amend patent terms would affect several important patent statutes, including those that set the patent term, and that set forth the conditions under which terms may be extended. 35 U.S.C. § 154; 35 U.S.C. § 156.

III.

EXTENSIONS OF EXISTING COPYRIGHT AND PATENT TERMS DO NOT PER SE VIOLATE THE "LIMITED TIMES" REQUIREMENT OF THE CONSTITUTION

Although the powers of Congress to enact patent legislation are not unlimited, this Court has recognized that "Congress has plenary authority in all cases in which it has substantive legislative jurisdiction, so long as the exercise of that authority does not offend some other constitutional restriction." *Immigration & Naturalization Service v. Chadha*, 462 U.S. 919, 941 (1983) (citation omitted).

As early as 1843, this Court recognized that Congress had extremely broad power to legislate on the subject of

patents and that Congress could modify these laws at will. *McClurg v. Kingsland*, 42 U.S. (1 How.) 202, 206 (1843). More recently in *Radio Position Finding Corp. v. Bendix Corp.*, 205 F. Supp. 850, 854 (D. Md. 1962), *aff'd*, 371 U.S. 577 (1963), this Court affirmed the decision of the United States District Court for the District of Maryland which had held that Congress did not exceed its authority by enacting a private statute that allowed a patent holder to effectively extend the term of his patent by filing after the one-year time bar of 35 U.S.C. § 102(b). In doing so, the district court relied on the "direct and indirect expressions of approval of various private laws which have modified the exclusiveness of the grant to the patentee and the long legislative history of the exercise of congressional power to modify the exclusiveness of a patent grant dating, indeed, from shortly after the adoption of the Constitution." 205 F. Supp. at 855. This holding rebuffed a far greater constitutional challenge to Congress' power to extend terms than a mere patent extension for cause. *See also Evans v. Jordan*, 13 U.S. 199 (1819) (patent extended for a second term of 14 years after its expiration); *Agwan Co. v. Jordan*, 74 U.S. 583 (1869) (patent term extended for an additional seven years almost 20 years after it had expired).

Since Congress can determine what constitutes an appropriate "limited Time," Congress can in appropriate circumstances amend this "limited Time" in order to promote progress.

CONCLUSION

For the foregoing reasons, the NYIPLA respectfully requests that this Court reject Petitioners' broad argument than any extension of an existing intellectual property right is unconstitutional.

Respectfully submitted,

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